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Director and Chief Medical Officer

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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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April 23, 2004

TO: Each Supervisor

FROM: Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

SUBJECT: **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) -
MEDI-CAL CLAIM SUBMISSION TO THE LOS ANGELES COUNTY OFFICE OF
MANAGED CARE**

This is to advise you that, as part of the Department of Health Services (DHS) existing agreement (Agreement No. H210533) with Accordis (formerly known as Health Management Systems), DHS is requesting that Accordis provide Health Insurance Portability and Accountability Act (HIPAA) 837 compliant Medi-Cal encounter data (claim) submission services to the Los Angeles County Office of Managed Care (LAC-OMC) as required by HIPAA Transaction Code Set (TCS) requirements.

Community Health Plan (CHP) encounter data transmitted from DHS facilities to the LAC-OMC must be HIPAA TCS 837 compliant. Accordis will perform Clearinghouse services to obtain, compile, and convert CHP encounter data from DHS facilities into the appropriate HIPAA TCS compliant format prior to transmitting the data to the LAC-OMC.

For its services in converting and submitting the encounter data, Accordis will be paid a fixed fee of \$0.40 per paid admission or visit encounter data claim as negotiated by DHS and Accordis. It is estimated there will be approximately 10,400 claims processed per month, for an estimated monthly cost of \$4,680.

We intend to proceed with this action two (2) weeks from the date of this memorandum. If you have questions or desire additional information, please contact Larry Gatton of my staff at (213) 240-8366.

TG:lg (R:\VINCENT\HIPAACOMPLIANT)

c: Executive Officer, Board of Supervisors
Leela Kapur, Esq.
Gary W. Wells
Rob Lonardo